

**PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2012**

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
BOARD OF DIRECTORS  
JUNE 30, 2012

President

Jim House

Vice-President

Floyd Giblin

Board Members

Ted Fontenot  
Dinah Medine  
Phil Medine  
Myra Smith  
Polly Snell  
Jan Varnado

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Executive Director

Mitzi Harris

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
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JUNE 30, 2012

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Project Celebration, Inc.  
Many, Louisiana 71449

We have audited the accompanying statement of financial position of Project Celebration, Inc. (a non-profit organization), as of June 30, 2012, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Project Celebration's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Celebration, Inc., as of June 30, 2012, and the changes in its net assets, cash flows, and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 19, 2012, on our consideration of Project Celebration's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Project Celebration, Inc. taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The financial information for the year ended June 30, 2011, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion dated December 15, 2011, on the financial statements of Project Celebration, Inc.

***Hines, Sheffield & Squyres***  
Natchitoches, Louisiana  
December 19, 2012

EXHIBIT A

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 277,217	\$ 335,982
Accounts receivables	266,087	93,410
Prepaid expenses	<u>7,648</u>	<u>0</u>
Total Current Assets	550,952	429,392
Property and equipment, net	<u>733,280</u>	<u>743,481</u>
Total Assets	<u>\$ 1,284,232</u>	<u>\$ 1,172,873</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 120,579	\$ 126,090
Current portion of long-term debt	0	0
Accounts payable and accruals	<u>20,194</u>	<u>8,367</u>
Total Current Liabilities	140,773	134,457
Long-term debt, net of current portion	<u>0</u>	<u>0</u>
Total Liabilities	140,773	134,457
<b>NET ASSETS</b>		
Unrestricted	1,000,869	947,195
Temporarily restricted	<u>142,590</u>	<u>91,221</u>
Total Net Assets	<u>1,143,459</u>	<u>1,038,416</u>
Total Liabilities and Net Assets	<u>\$ 1,284,232</u>	<u>\$ 1,172,873</u>

The notes to the financial statements are an integral part of this statement.

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
UNRESTRICTED NET ASSETS				
Support				
Contributions	\$ 10,572	\$ 25,323	\$ 35,895	\$ 12,917
Contract services	553,659	0	553,659	263,799
Grants and receipts from other governments	402,903	327,848	730,751	820,426
Interest	26,118	89	26,207	1,191
Other	0	6,424	6,424	5,784
Total Support	993,252	359,684	1,352,936	1,104,117
EXPENSES				
Program Services	812,928	219,437	1,032,365	941,216
Management and General	126,650	88,878	215,528	207,595
Total Expenses	939,578	308,315	1,247,893	1,148,811
Change in Net Assets	53,674	51,369	105,043	(44,694)
NET ASSETS, Beginning of year	947,195	91,221	1,038,416	1,083,110
NET ASSETS, End of year	\$ 1,000,869	\$ 142,590	\$ 1,143,459	\$ 1,038,416

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 105,043	\$ (44,694)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	23,291	18,055
Bad debt expense	8,210	551
(Increase)/decrease in operating assets		
Accounts receivables	(180,887)	63,809
Prepaid expenses	(7,648)	0
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	11,827	(8,883)
Net Cash Provided By/(Used In) Operating Activities	<u>(40,164)</u>	<u>28,888</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase/construction of property and equipment	<u>(13,090)</u>	<u>(27,281)</u>
Net Cash Provided By/(Used In) Investing Activities	<u>(13,090)</u>	<u>(27,281)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	0	20,289
Principal payments on line of credit	<u>(5,511)</u>	<u>0</u>
Net Cash Provided By/(Used In) Financing Activities	<u>(5,511)</u>	<u>20,289</u>
Net Change in Cash	(58,765)	21,896
CASH, Beginning of year	<u>335,982</u>	<u>314,086</u>
CASH, End of year	<u>\$ 277,217</u>	<u>\$ 335,982</u>

SUPPLEMENTAL DISCLOSURE

Cash paid during the years ended June 30, 2012 and 2011 for interest was \$5,124 and \$6,017, respectively.

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012			2011
	Program Services	Management and General	Total	Total
EXPENSES				
Bad debt expense	\$ 8,210	\$ 0	\$ 8,210	\$ 551
Client expenses	15,459	0	15,459	33,846
Contract services	310,385	0	310,385	293,078
Depreciation	0	23,291	23,291	18,055
Employee benefits	0	7,721	7,721	30,001
Insurance	0	9,396	9,396	6,150
Interest expense	0	5,248	5,248	4,505
Legal and professional	0	7,600	7,600	6,425
Membership and dues	0	2,047	2,047	1,804
Material and supplies	32,089	0	32,089	24,790
Office expense	0	9,274	9,274	9,909
Payroll taxes	38,373	6,714	45,087	42,109
Rent	0	6,050	6,050	6,050
Repairs and maintenance	0	20,618	20,618	5,174
Salaries	501,602	87,769	589,371	550,446
Telephone	0	12,690	12,690	9,526
Travel and training	114,545	0	114,545	78,543
Utilities	0	15,062	15,062	17,842
Workman's compensation	11,702	2,048	13,750	10,007
Total Functional Expenses	<u>\$ 1,032,365</u>	<u>\$ 215,528</u>	<u>\$ 1,247,893</u>	<u>\$ 1,148,811</u>



PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Project Celebration, Inc. (a non-profit organization) was incorporated June 12, 1989, for the purpose of promoting a chemical-free life style for the youth of Sabine Parish and the surrounding area. In June 1996, Project Celebration began operating a domestic violence transitional home for women and children.

**A.      CASH**

Consistent with FASB 95, Statement of Cash Flows, Project Celebration defines cash as not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

**B.      RECEIVABLE**

All receivables are reported at their gross value and, where, applicable, are reduced by the estimated portion that is expected to be uncollected.

**C.      ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2012, \$0 were considered to be uncollectible.

**D.      PROPERTY AND EQUIPMENT**

Donations of equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted support. When donor stipulations are absent regarding how long those donated assets must be maintained, Project Celebration reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Project Celebration reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment are depreciated using the straight-line method.

**E.      NET ASSETS**

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, Project Celebration is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**F.      PROMISES TO GIVE**

Contributions are recognized when the donor makes a promise to give to Project Celebration that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F.        PROMISES TO GIVE (CONTINUED)**

restrictions expire in the fiscal year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**G.        CONTRIBUTIONS**

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**H.        ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**I.        INCOME TAXES**

Project Celebration is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

**NOTE 2        CASH**

At June 30, 2012, Project Celebration had cash totaling \$277,217, as follows:

Petty cash	\$        50
Demand deposits	38
Interest bearing accounts	<u>277,129</u>
Total	<u>\$    277,217</u>

At June 30, 2012, Project Celebration had \$313,980 in bank deposits. These deposits were secured from risk by \$250,038 of federal deposit insurance and the remaining \$63,942 was unsecured.

**NOTE 3        ACCOUNTS RECEIVABLE**

At June 30, 2012, Project Celebration had accounts receivable of the following:

Contract services	\$    109,505
Grants and receipts from other governments	154,902
Other	<u>1,680</u>
Total	<u>\$    266,087</u>

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**NOTE 4      PROPERTY AND EQUIPMENT**

All equipment and leasehold improvements are stated at historical cost. Depreciation is charged as an expense against operations and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-10 years
Leasehold improvements	Lesser of the term of the related lease or 27.5 years

A summary of Project Celebration's property and equipment June 30, 2012, is presented below:

	Cost	Accumulated Depreciation	Net	Depreciation This Year
Land	\$ 68,000	\$ 0	\$ 68,000	\$ 0
Buildings and improvements	670,989	29,356	641,633	16,775
Equipment	34,603	17,786	16,817	4,732
Leasehold improvements	23,711	16,881	6,830	1,784
Total	<u>\$ 797,303</u>	<u>\$ 64,023</u>	<u>\$ 733,280</u>	<u>\$ 23,291</u>

Buildings and improvements includes \$0 in capitalized interest for the year ended June 30, 2012.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account is relieved, and any gain or loss is included in activities.

**NOTE 5      ACCOUNTS PAYABLE AND ACCRUALS**

At June 30, 2012, Project Celebration had accounts payable and accruals of the following:

Vendor	\$ 13,294
Salaries and benefits	6,568
Interest	332
Total	<u>\$ 20,194</u>

**NOTE 6      TEMPORARILY RESTRICTED NET ASSETS**

At June 30, 2012, Project Celebration had temporarily restricted net assets of \$142,590 related to the domestic violence transitional home program.

**NOTE 7      LEASE OBLIGATIONS**

Domestic Violence Transitional Home

On February 9, 2001, Project Celebration entered into a one year noncancellable operating lease of a building to use as the domestic violence transitional home. The lease also contains unlimited one year renewal options.

Project Celebration was not obligated under any capital lease agreements at June 30, 2012.

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**NOTE 8            LINE OF CREDIT**

On September 15, 2009, Project Celebration signed a loan agreement with Peoples State Bank for a line of credit to cover the difference in the anticipated construction cost of their new operations building and a grant from USDA. The line of credit was for \$130,000, bearing interest at 4.50% with monthly interest payments and renewed annually. At June 30, 2012, the current maturity of the line of credit was September 15, 2012. The line of credit is secured by the operations building and real estate. At June 30, 2012, the outstanding balance on the line of credit was \$120,579. No draws were taken on the line of credit and \$5,511 in principal payments were made on the line of credit during the year ended June 30, 2012. The line of credit was renewed on October 23, 2012.

**NOTE 9            EMPLOYEE RETIREMENT SYSTEM**

All employees of Project Celebration are covered by the Social Security System. Employees contributed 4.2% of their total salary to the system, while Project Celebration contributed 6.2% for the entire year ended June 30, 2012. For the year ended June 30, 2012, total contributions to the system were \$61,295, of which Project Celebration contributed \$36,541 and employees contributed \$24,754. Total payroll for the year ended June 30, 2012 was \$589,371 and total payroll covered by the System was \$589,371. Any future deficit in this System will be financed by the United States Government. Project Celebration has no further liability to the system for the year ended June 30, 2012.

**NOTE 10          LITIGATION**

Project Celebration was not involved in any litigation at June 30, 2012.

**NOTE 11          RISK MANAGEMENT**

Project Celebration is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Project Celebration maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to Project Celebration.

**NOTE 12          CLAIMS AND JUDGEMENTS**

Project Celebration participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Project Celebration may be required to reimburse the grantor government. Management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on Project Celebration's overall financial position.

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012

**SECTION #1**

**SUMMARY OF AUDITORS' RESULTS**

FINANCIAL STATEMENTS

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditors' report issued.   | Unqualified   |
| 2. | Internal control over financial reporting:   |               |
|    | a) Material weakness(es) identified?   | No            |
|    | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted?  | No            |

**SECTION #2**

FINANCIAL STATEMENT FINDINGS

None reported.

# HINES, SHEFFIELD & SQUYRES, L.L.C.

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Project Celebration, Inc.  
Many, Louisiana 71449

We have audited the financial statements of Project Celebration, Inc., as of and for the year ended June 30, 2012, and have issued our report thereon dated December 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of Project Celebration is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Project Celebration's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Project Celebration's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Project Celebration's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Celebration's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Page #2

This report is intended solely for the information and use of Project Celebration, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Hines, Sheffield & Squyres***

Natchitoches, Louisiana

December 19, 2012

PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED  
JUNE 30, 2012

<u>Ref. No.</u>	<u>Fiscal Year</u>	<u>Description of Finding</u>	<u>Corrective</u>	<u>Planned Corrective Action/Partial</u>
	<u>Finding</u>		<u>Action Taken</u>	
	<u>Initially</u>		<u>(Yes, No,</u>	<u>Corrective Action Taken</u>
	<u>Occurred</u>		<u>Partially)</u>	

Nothing came to our attention that would require disclosure under Government Auditing Standards.



PROJECT CELEBRATION, INC.  
MANY, LOUISIANA  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED  
JUNE 30, 2012

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.